

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
UTILITIES DEPARTMENT
NOTICE OF FILING AND HEARING

DOCKET NO. 2004-178-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY – Application for adjustments in the Company's electric rate schedules and tariffs

On July 1, 2004, South Carolina Electric & Gas Company (SCE&G or the Company) filed an Application with the Public Service Commission of South Carolina requesting authority to adjust and increase its retail electric rates and charges, and to make changes to its tariffs. The Application was filed pursuant to S.C. Code Ann. Sections 58-27-820, and 58-27-870 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834 as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure. SCE&G states in the Application that the primary reasons for the requested increase are large investments in its infrastructure, including completion of the construction of the 875 megawatt (MW) gas-fired generating facility in Jasper County, South Carolina as well as capital expenditures required to insure compliance with environmental standards and to maintain and refurbish older plants. The Application further states that the current rates and charges are not sufficient to allow the Company a reasonable opportunity to earn an adequate return on its investment in spite of the Company's efficient operations and constant efforts to lower costs. SCE&G requests that the proposed increase be effective January 1, 2005. The proposed overall increase amounts to approximately 5.66%; the proposed average increase to the residential class is 8.81%; small general service class is 3.31%; medium general service class is 5.01%; large general service class is 2.01%; and the lighting class is 6.25%. Amount and percentage increases vary by rate schedules within these classes, and individual customer bill increases may also vary depending upon actual usage pattern and amount of consumption.

SCE&G also proposes other modifications to its rates and tariffs including increasing the reconnection charge from \$15.00 to \$25.00. The Company also proposes a new Economic Interruptible Service Rider available to customers receiving service under Rates 23 or 24 who can interrupt 1,000 kilowatts or more during the summer months. In addition, the Company proposes modification to its General Terms and Conditions that would allow SCE&G to collect deposits from certain nonresidential customers whose credit standing has declined to the extent that it creates a condition of insecurity with regard to present and future payments owed to SCE&G.

A copy of the Application and the proposed rates and charges are on file in the Offices of the Public Service Commission and the corporate office of South Carolina Electric & Gas Company at 1426 Main Street, Columbia, South Carolina, 29201.

In order to receive testimony and evidence from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina, beginning on **Monday, November 1, 2004 commencing at 11:00 A.M.**

NOTICE OF FILING AND HEARING
DOCKET NO. 2004-178-E
PAGE 2

Any person who wishes to testify and present evidence at the hearing should notify, in writing, the undersigned and Catherine D. Taylor, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina, 29218, on or before **September 24, 2004** and indicate the amount of time required for the presentation.

Any person who wishes to express his or her views but is unable or does not desire to appear and testify at the hearing should submit those views to the undersigned in writing, on or before **September 24, 2004**.

Any person who wishes to participate in the hearing as a Party of Record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before **September 24, 2004**.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5115.

BRUCE F. DUKE
Executive Director
Public Service Commission of SC
P.O. Drawer 11649
Columbia, SC 29211

07/12/04

7/12/2004